



ENERGY ASSURANCE DAILY

Tuesday Evening, August 19, 2008

Electricity

Tropical Storm Fay Makes Landfall in Florida, Cuts Power to 107,476 Customers

August 19

Tropical Storm Fay made landfall in southwest Florida today, moved inland, but never reached hurricane status. The storm carried sustained winds of 60 mph this morning, and forecasters said it might move back into the Atlantic Ocean, from where it could re-strike Florida later in the week. The storm cut power to 107,476 utility customers in Florida, as of latest reports. FPL, the hardest-hit utility, said it mobilized 4,300 responders, but added that infrastructural damage had been minimal. The Florida Keys official tourism website, similarly, said the storm had not caused significant damage. The following table details the outages, by utility, with both peak and most-recent totals.

Florida Customer Power Outages			
August 19, 2008			
Electric Utility	State	Peak	Latest Reported
FPL	FL	95,750	95,750
Lee County Electric Cooperative	FL	8,000	6,715
Progress Energy	FL	3,726	3,474
TOTAL*		107,476	105,939

*Total outages only represent electric utilities listed in this table.

Sources:

http://weblogs.sun-sentinel.com/business/realestate/housekeys/blog/2008/08/more_than_93000_without_power.html
http://www.abcactionnews.com/content/weather/tampa_bay_hurricane_information/story.aspx?content_id=5c742ef3-1987-44ae-9f54-95a0ccdf42e4
<http://www.lcec.net/hurricane/?fuseaction=newsdetail&newsid=378>
http://www.naplesnews.com/blogs/tropical-storm-fay/2008/aug/19/marco_power/
<http://www.progress-energy.com/shared/outages/fla/index.html>
http://ap.google.com/article/ALeqM5gW7Ur7I6YEcSo4_KU3maMkK9JQ1wD92LE6900
<http://www.naplesnews.com/blogs/tropical-storm-fay/2008/aug/19/marcoupdate3/>
http://biz.yahoo.com/ap/080819/tropical_weather_fay.html?v=1
<http://www.globeinvestor.com/servlet/story/BWIRE.20080819.20080819005978/GIStory/>
<http://www.fl-keys.com/news/news.cfm?sid=7197>

Bloomberg News 15:43 August 19, 2008

Update: PG&E Starts Repairs at Fire-Damaged 1,150 MW Diablo Canyon Nuke Unit 2 in California

PG&E is replacing a fire-damaged transformer and testing others, a spokeswoman said. The shutdown will be "brief," she said. The fire automatically shut the unit August 17, and caused "significant damage," the spokeswoman said previously.

Bloomberg News, 16:16 August 19, 2008

Update: AES's 498 MW Alamitos Gas-fired Unit 5 in California Ramps Up to Full Power by August 18

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 348 MW by August 17.

<http://www.caiso.com/unitstatus/data/unitstatus200808181515.html>

Update: PPL's 1,105 MW Susquehanna Nuke Unit 1 in Pennsylvania Ramped Up to 94 Percent by August 19

PPL “took the turbine off line to make repairs on a turbine control valve,” on August 15, according to an earlier statement. The Nuclear Regulatory Commission reported that on the morning of August 18 the unit was operating at 77 percent.

Bloomberg News, 14:49 August 18, 2008

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2008/>

Bruce Power's 750 MW Lake Huron Nuke Unit 3 in Ontario Returns to Full Power by August 18

The company shut the unit August 13 to fix a condenser tube, a spokesman said. It restarted the unit August 15, and the unit was at full power today.

<http://www.reuters.com/article/marketsNews/idUSN1443542820080814>

Bloomberg News, 18:29 August 18, 2008

Enmax's 250 MW Calgary Gas-fired Unit in Alberta Shut August 18

Reuters, 08:28 August 19, 2008

Update: Appalachian Power Files to Build Transmission Reinforcement Project in Virginia

Today Appalachian Power filed with the Virginia State Corporation Commission (SCC) a request to build an electric transmission reinforcement project in central and western Virginia. The company introduced the Matt Funk Transmission Reinforcement Project in April and identified a preferred route for the 138 kilovolt (kV) facilities in late summer following several weeks of public input. The project includes a new 4.5-mile 138 kV transmission line. Pending approval, the company plans to begin engineering, surveying and right-of-way acquisition near the end of 2009. It hopes to open the project in June, 2011.

http://www.appalachianpower.com/news/transmissionProjects/mattFunkProject/docs/Matt_Funk_Filing_News_Release.pdf

CPV Renewable Energy Company Plans 101 MW Keenan Wind Project in Oklahoma

CPV Renewable Energy Company, LLC purchased forty-four 2.3 MW turbines for the Keenan wind project in Oklahoma, according to a release. The company expects to open Keenan's initial phase for commercial operation in 2009.

<http://www.prnewswire.com/>

http://w1.siemens.com/press/en/pressrelease/2008/renewable_energy/ere200808056.htm

Hydro-Quebec to Overhaul 675 MW Gentilly Nuke Unit 2 in Quebec Project Will Extend Plant Life by 27 Years

Hydro-Quebec will add radioactive waste-storage, and shut the plant from 2010 to 2011 for an overhaul, the company said.

Bloomberg News, 16:12 August 19, 2008

Petroleum

Update: Shipments along Damaged Georgian Rail Line Could Resume Tonight

Azeri oil shipments could restart tonight along a downed Georgian rail line, according to a Georgia-based shipping agent. An associated railway bridge exploded and halted deliveries August 16. The affected line stretches from Tbilisi through Georgia, and splits to three destinations: the Black Sea ports of Poti and Batumi, and another site near the Turkey-Georgia border. It accounts for between 50,000 and 70,000 b/d of crude shipments. “We expect it will be ready this evening,” the shipping agent said. It is unclear if the downed railway bridge has been repaired, or if shippers will employ a separate, previously-unused bridge, as previously reported. Both the 1 million b/d BTC pipeline and the 150,000 b/d Baku-Supsa pipeline remain down, as of latest reports.

Bloomberg News, 08:02 August 19, 2008

<http://www.reuters.com/article/rbssEnergyNews/idUSLI10285020080818>

Update: Shell, Marathon Returning Workers to Gulf of Mexico O&G Platforms Storm Did Not Impact Production, Companies Say

Shell and Marathon expected most evacuated employees to return to offshore platforms today, as Tropical Storm Fay passed. Both companies evacuated non-essential personnel ahead of the storm, but neither shut any production. Reuters, 11:16 August 19, 2008

Update: Coker to Remain Down for Entire Third Quarter after Deadly Crane Accident at Lyondell's 270,000 b/d Houston, Texas Refinery

The 270,000 b/d refinery will operate at about 150,000 b/d for 45 to 50 days during the third quarter as workers perform maintenance to the coker and a crude distillation unit, LyondellBasell said today. A 30-story crane collapsed at the refinery July 18, killing four workers. The felled crane had been part of a planned coker overhaul—a maintenance process the company expected to stretch just two months. After the incident, however, Lyondell decided to eliminate the crane and employ a different, lengthier overhaul procedure. Work on the crude distillation unit will still take about two months, but the coker will be out of service for the entire third quarter.

Reuters, 12:44 August 19, 2008

Traders Suspect Problem at Irving Oil's 300,000 b/d New Brunswick, Canada Refinery

Irving Oil has purchased large amounts of gasoline over the last two days, and traders suspect its 300,000 b/d New Brunswick refinery is either having problems, or preparing for a long overhaul. The company had not been reached for comment, as of latest reports. The refinery exports 175,000 b/d of gasoline, including 100,000 b/d of reformulated gasoline to northeast U.S. states.

Reuters, 12:04 August 19, 2008

Shell Reports Hydrogen Sulfide Gas Release at 72,000 b/d Sarnia, Ontario Refinery Unspecified Unit Remains Idled August 18

An unnamed unit has been down since Friday, a Shell spokeswoman said, after a malfunction triggered a release of hydrogen sulfide gas. The incident did not cause a health threat, and the facility is still meeting customer obligations, she said.

Reuters, 13:27 August 18, 2008

Hydrotreater Snag at Valero's 275,000 b/d Aruba Refinery—Trade Sources

The refinery has four hydrotreating units, with a combined 225,000 b/d capacity.

Reuters, 09:27 August 19, 2008

Natural Gas

At Current Pace, United States to Set 35-Year Natural Gas Production High in 2008

U.S. natural gas production jumped almost 9 percent in the first 5 months of 2008, compared to the same period in 2007. At the current pace, output will spike to almost 22 trillion cubic feet, just shy of 1973's record 22.6 trillion cubic feet. The 1,967 operating rigs marked a 5 percent, or 88-rig, jump from last year.

<http://www.star-telegram.com/804/story/840294.html>

Other News

Tropical Storm Fay Closes 4 Florida Ports, Restricts 5 Others to Incoming Traffic August 19

Tropical Storm Fay forced closed the Ports of Key West, St. Petersburg, Manatee and Tampa. Closed to incoming traffic were the Ports of Miami-Dade, Everglades, Palm Beach, Canaveral, Jacksonville and Fernandina.

http://www.floridadisaster.org/eoc/eoc_Activations/Tropical08/Reports/081908_Incident%20Situation%20Report%20Number6_1000.pdf

Energy Prices

U.S. Oil and Gas Prices August 19, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	113.93	113.73	72.02
NATURAL GAS Henry Hub \$/Million Btu	7.74	8.18	7.14

Source: Reuters

Energy Notes

**21,000 Hydro One Customers in Ontario Lose Power August 18 Due to Thunderstorms
Company Expects all to be Restored by 3 or 4 PM August 19**

<http://www.intelligencer.ca/ArticleDisplay.aspx?e=1163454>

**Update: NRC Issues Positive Final Environmental Impact Statement for Two Proposed
Nuclear Reactors at Southern's Vogtle Site in Georgia**

<http://www.platts.com/Nuclear/News/6939382.xml?p=Nuclear/News&sub=Nuclear>

**California Energy Commission Committee Recommends Approval of PG&E's Proposed
163 MW Humboldt Bay Repowering Project in California**

<http://www.eurekareporter.com/article/080818-proposed-decision-released>

**Update: PG&E Works to Store Spent Nuclear Fuel from Decommissioned Humboldt Bay
Power Plant Unit 3 in California—Company Secures First of Five Nuclear Rod Containers
in Underground Facility**

<http://www.eurekareporter.com/article/080815-pge-begins-relocation-of-spent-nuclear-fuel-rods>

**Should Prices Continue to Dip, Venezuela to Suggest Output Slash at September OPEC
Meeting—Oil Minister**

<http://www.platts.com/Oil/News/7218067.xml?p=Oil/News&sub=Oil>

Bloomberg News, 14:06 August 19, 2008

**Explosion at Biofuel of Tennessee's 8-to-10 Million Gallon/Year Biodiesel Plant in
Tennessee August 15—Neighbors Evacuate, but no Injuries Reported**

<http://www.newschannel5.com/Global/story.asp?S=8849949>

**DOE Inspector General Audit Says Energy Department's Cybersecurity Policies Are Not
Adequate—Classified Information could be at Risk, Report Says**

<http://www.govexec.com/dailyfed/0808/081508kp1.htm>

Read the audit here: <http://www.ig.energy.gov/documents/IG-0800.pdf>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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